



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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**GAIN Report Number:** FR8026

## France

### Agricultural Situation

### French Market for Chocolate, Sugar Confectionery and Gum Products

**2008**

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**Report Highlights:**

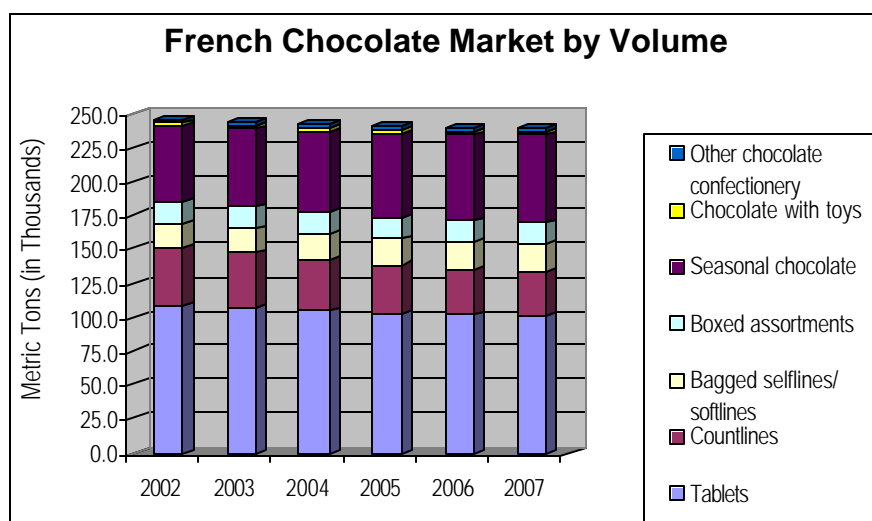
The chocolate confectionery market in France is projected at \$5.28 billion in 2008, while the sugar confectionery and gum markets are projected at close to \$1.2 billion and \$1 billion, respectively. Following a ban on smoking in public restaurants and bars, which took effect on January 1, 2008, the market for gum in particular has been very dynamic. Due to concerns about rising obesity and related marketing constraints, the sugar and chocolate confectionery industries must be creative to help ensure their continued growth.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Paris [FR1]  
[FR]

## Market Overview

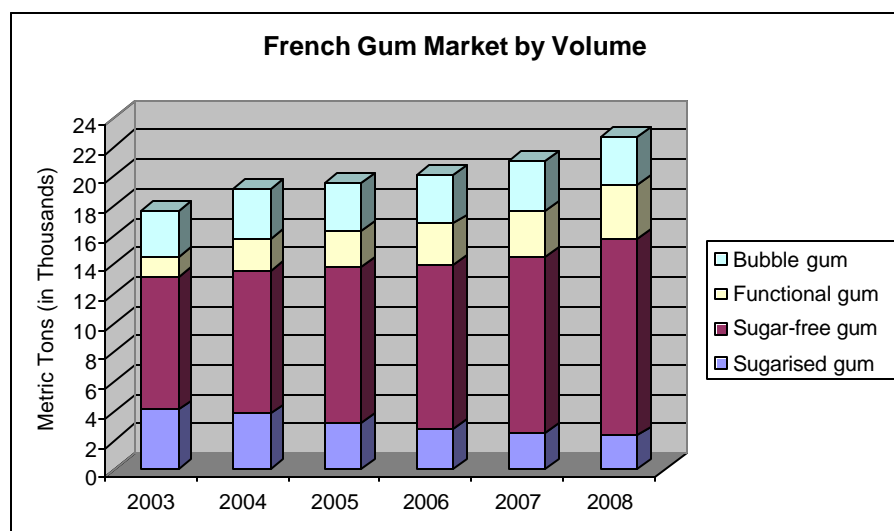
**Chocolate confectionery:** In 2008, the chocolate confectionery market in France is projected at \$5.28 billion. This market has hovered just above 240,000 tons since 2005, though the market is gradually trending down in terms of volume. At the same time, the value has been trending up slightly following consumers' preference of quality over quantity in their chocolate. In recent years, the chocolate market has also seen new product launches such as consumer personalized "My M&Ms" and Lindt Excellence's introduction of a spicy chocolate tablet called "Chili."



Source: Euromonitor. "Chocolate Confectionery – France." September 30, 2008

**Sugar confectionery:** The French market for sugar confectionery is estimated at close to €933 million, or \$1.2 billion, in 2008. Sales of sugar confectionery have been relatively stable at just over 100,000 metric tons for the last five years, though, as with chocolate confectionery, the value of these sales has been gradually trending up over the same period. While the French government's campaign against obesity may have dampened sales in this sector, the government ban on smoking in restaurants and bars which took effect on January 1, 2008 is believed to have bolstered sales of lollipops and power mints. At least one retail chain has removed sugar confectionery products from its checkout locations, and a measure which would make this move compulsory is likely to become law.

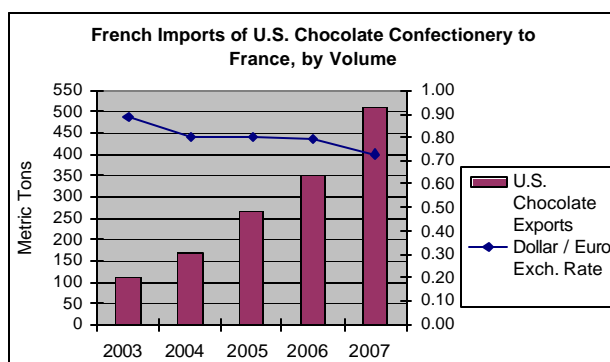
**Gum:** Sales in the French market for gum are projected to grow 13% during 2008, in terms of value, to €814 million or just over \$1 billion. The volume of gum sold in France is estimated to increase 8% between 2007 and 2008 to almost 23,000 metric tons. The jump in sales during 2008 may be linked to the ban on smoking in bars and restaurants which took effect on January 1, 2008.



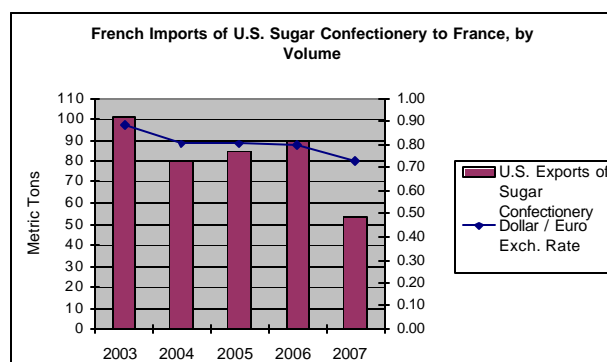
Source: Euromonitor. "Gum – France." September 30, 2008

### U.S. Exports to France in Chocolate and Sugar Confectionery and Gum

In 2007, France imported over \$1.5 billion in chocolate confectionery, \$335 million in sugar confectionery, and \$22 million in gum products. Current U.S. sales of \$1.8 million (chocolate confectionery), \$294,000 (sugar confectionery), and \$8000 (gum) represent a small fraction of French imports. U.S. exports of chocolate confectionery to France have been steadily growing since 2003 while exports of sugar confectionery have declined significantly.

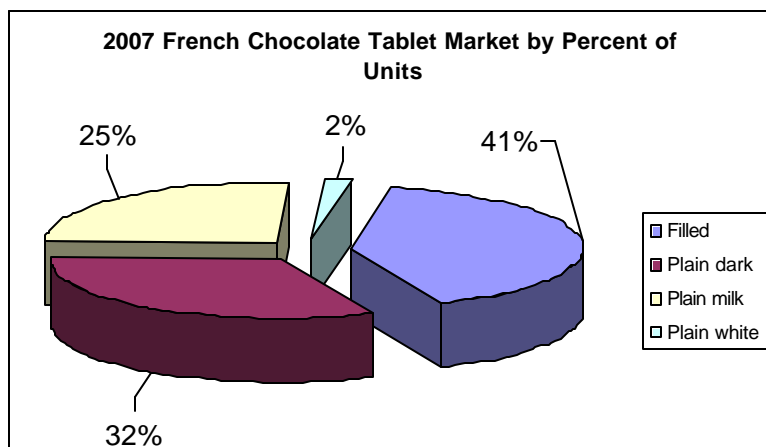


Source: Global Trade Atlas, 2008



### Consumer Trends

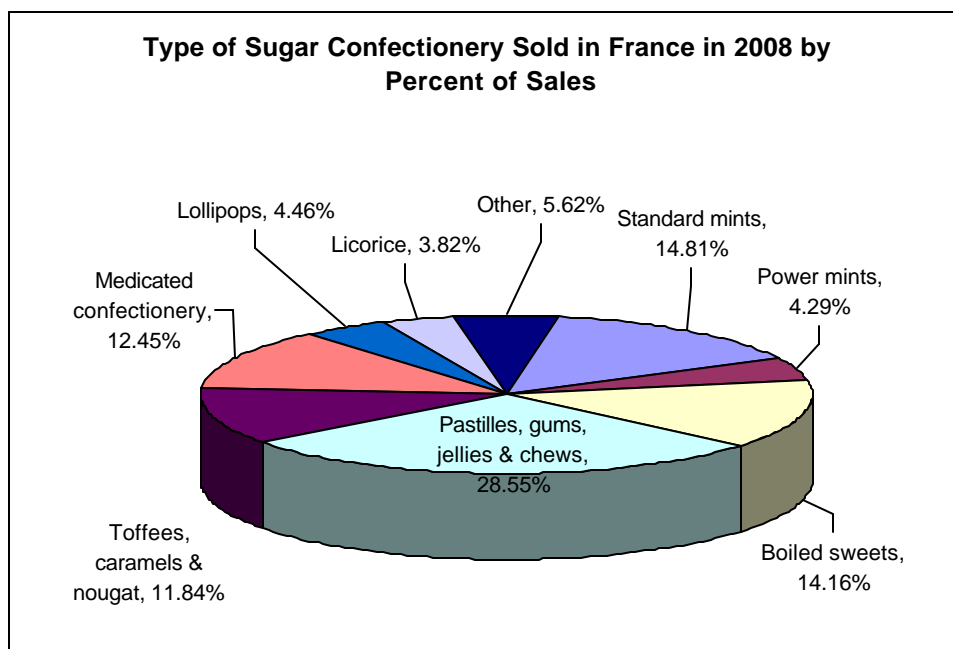
**Chocolate confectionery:** Consumption patterns in the French chocolate confectionery market have shifted toward higher quality products, purchased less often. French consumers prefer confectionery products in individual or smaller servings, which appear to be "lighter." Also, seasonal chocolates have shown strong performance. Dark chocolates are perceived simultaneously as being more sophisticated and healthier with lower fat content and antioxidant properties. Tablets filled with chocolate mousse have gained market share in recent years. In addition, chocolates with varying concentrations of cocoa or interesting flavors such as spices or fruits have appealed to French consumers.



Source: Euromonitor. "Chocolate Confectionery – France." September 30, 2008

Sales of sugar-free or light chocolate confectionery products have had a moderate growth rate, but the recent successful introduction of a reduced-sugar line of chocolate tablets called "Ligne Gourmande" suggests that this sector may be poised for stronger growth. Producers should note that French consumers are generally cautious about chemical additives in food and remain wary of artificial sweeteners.

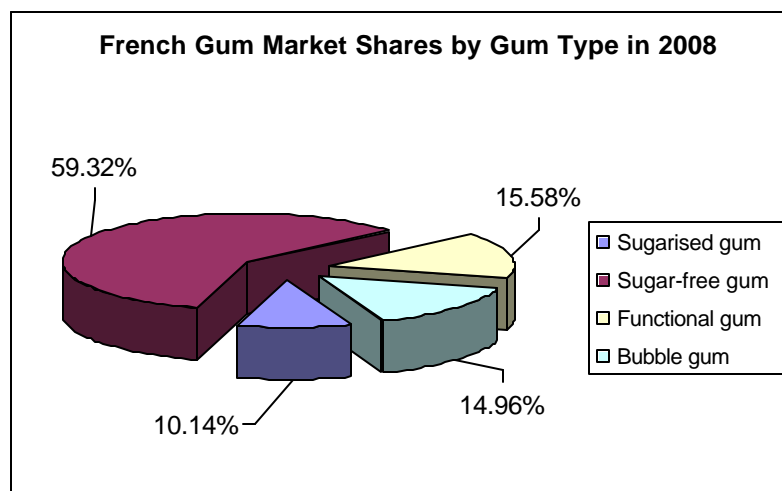
**Sugar confectionery:** The market for sugar confectionery is dominated by sales of pastilles (fruit flavored candies), gums (gummy candies), jellies and chews, with close to a projected 30% of sales in terms of value in 2008. French sales in the sugar confectionery markets have been stable in the last five years with overall growth at about .5% between 2007 and 2008. Power mints, medicated confectionery, and licorice all exhibited sales growth greater than 10% between 2003 and 2008, while growth in other types of sugar confectionery were flat or negative.



Source: Euromonitor. "Sugar Confectionery – France." September 30, 2008

**Gum:** The market for gum in France is dominated by sugar-free gum, which accounted for almost an estimated 60% of sales by volume in 2008. Since 2003, sales of sugared gum have lost 43% of their market share by volume, while sales of functional gums offering improved oral health or brighter teeth have grown close to 150% by volume. Gums with chic packaging, smaller sized boxes, and interesting formats like individual tabs, softer chews, or filled centers have also proven successful. Overall, consumers prefer fresh flavors, but there is variation in the top selling flavors of gum.

Top Selling Gum Flavors by Rank in 2008	
1	Chlorophyll
2	Menthol
3	Power mint
4	Strawberry
5	Lemon
6	Raspberry
7	Orange
8	Apple



Source: Euromonitor. "Gum – France." September 30, 2008

### Competitive Outlook

Legislation is currently pending in France that would ban the placement of some confectionery products near the checkout stands to discourage impulse purchases. In addition, the legislature is considering limiting or altogether banning television advertisements for confectionery items targeted at children. Brand identity and recognition are expected to be even more important as advertising options are narrowed. This means that product promotion and advertising will need to be innovative in the future. Promotional tie-ins with the movie industry have been successful in the snack market, and may work for confectionery items as well.

In 2007, private-labeled goods accounted for 13% of sales, by value, in sugar confections, but were not as strong in the chocolate confectionery and gum markets. Even French consumers who respond to price promotions prefer to buy trusted, quality brands in the chocolate confectionery market. Gum, which is typically an impulse purchase, tends to attract customers with new flavors or interesting formats. Thus, it may prove difficult, given current economic conditions, for private-labels or economy brands to make substantial inroads in the gum or chocolate confectionery markets.

**Chocolate confectionery:** The French chocolate confectionery market includes a strong segment of artisanal producers who make and sell their chocolate confectionery locally and in small specialty shops throughout France. These artisans represented close to 21% of the French market in terms of retail value in 2007. The largest single company in the sector in 2007 remained Ferrero France SA with 16.4% of retail sales, followed by Nestlé France SA with 13%.

Sugar confectionery: Though garnering only 3% of retail sales value in the chocolate confectionery market, Cadbury France SA was the dominant company in the sugar confectionery market in terms of retail value with 17% of sales in sugar confections.

Gum: In 2007, Cadbury France SA was the retail sales leader (43%) in France, by value, in the gum sector and Wrigley France SNC had 42% market share. In April 2008, Mars Inc.'s bought William Wrigley Jr. Co. The deal gives Mars-Wrigley a massive portfolio of brands and market share across the French confectionery sector and the new conglomerate will likely surpass Cadbury as the market leader in the gum market.

### Brand Shares

Chocolate Confectionery Company Shares 2003-2007 (% retail value)					
Company	2003	2004	2005	2006	2007
Ferrero France SA	13.78	14.21	15.27	15.65	16.40
Nestlé France SA	15.48	15.04	14.41	13.77	13.09
Lindt & Sprüngli SA	10.00	10.65	11.12	11.53	11.80
Kraft Foods France SA	10.36	10.14	9.62	9.51	9.65
Mars Chocolat France*	-	-	-	-	5.50
Cadbury France SA	3.94	4.29	3.82	3.56	3.25
Chocolaterie Cantalou SA	2.67	2.94	2.89	2.87	2.83
Jacquot ETS SA	2.51	2.63	2.57	2.56	2.47
Ritter GmbH & Co KG, Alfred	-	-	0.63	0.58	0.56
Dolci Preziosi Srl	-	-	0.14	0.12	0.12
Merisant Co 2 Sarl	-	-	0.12	0.06	0.01
Masterfoods France SA	5.49	5.29	5.35	5.44	-
Artisanal	19.89	19.98	20.39	20.74	20.81
Private Label	8.11	8.27	8.47	8.46	8.24
Others	7.77	6.54	5.21	5.14	5.27
Total	100.00	100.00	100.00	100.00	100.00

\*Masterfoods France SA's became Mars Chocolat France.

Source: Euromonitor. "Chocolate Confectionery – France." September 30, 2008

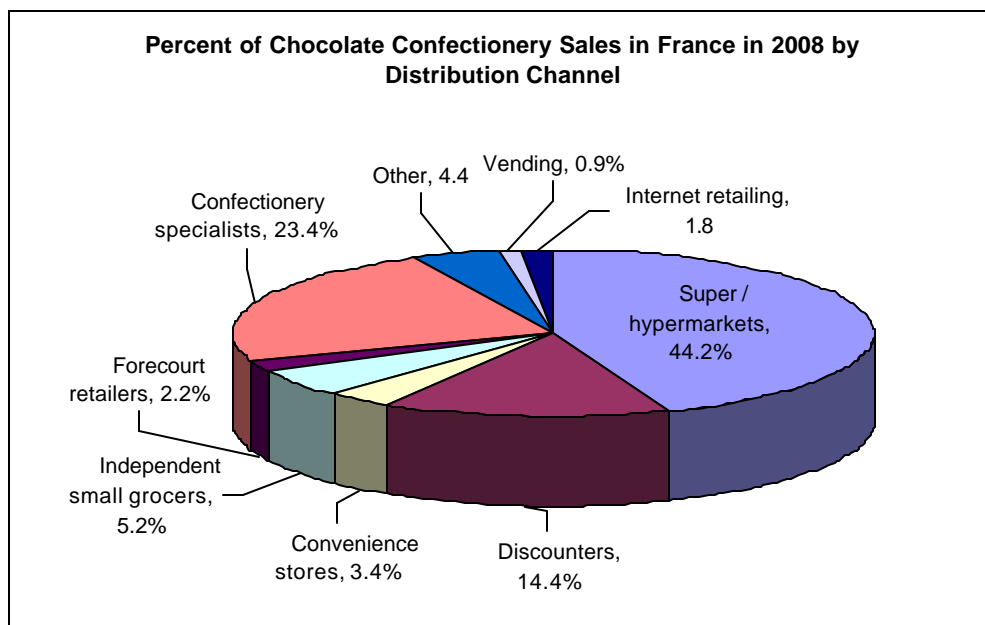
Sugar Confectionery Company Shares 2003-2007 (% retail value)					
Company	2003	2004	2005	2006	2007
Cadbury France SA	17.96	17.77	17.34	17.16	17.08
Haribo-Ricqlès-Zan SA	8.98	9.04	9.26	9.32	9.64
Lamy Lutti SA	9.69	9.49	9.35	9.17	9.27
Ricola AG	7.23	7.22	7.46	7.72	7.97
Ferrero France SA	2.77	2.77	2.86	2.96	3.17
Chupa Chups France SA	2.76	2.86	2.62	2.58	2.32
Perfetti Van Melle France	1.74	1.95	1.96	1.97	1.92
Lofthouse of Fleetwood Ltd	1.13	1.14	1.18	1.23	1.29
Chabert-et-Guillot	1.28	1.26	1.26	1.27	1.28
Storck KG, August	1.05	0.98	0.95	0.97	0.95
Cémoi SA	0.62	0.63	0.65	0.67	0.74
Frisk International NV	0.54	0.59	0.66	0.66	0.66
Lachartre, Laboratoire	0.43	0.42	0.43	0.43	0.44
Wrigley France SNC	-	-	-	0.19	0.23

Andros SA	0.18	0.19	0.16	0.15	0.14
Pharmygiène, Laboratoires	0.07	0.06	0.06	0.06	0.06
Roche Nicholas SA, Laboratoires	0.06	0.06	0.06	0.06	0.06
Private Label	12.89	12.90	13.14	13.38	13.25
Artisanal	7.26	7.13	7.06	7.13	7.17
Others	23.37	23.55	23.55	22.91	22.35
Total	100.00	100.00	100.00	100.00	100.00
<i>Source: Euromonitor. "Sugar Confectionery – France." September 30, 2008</i>					

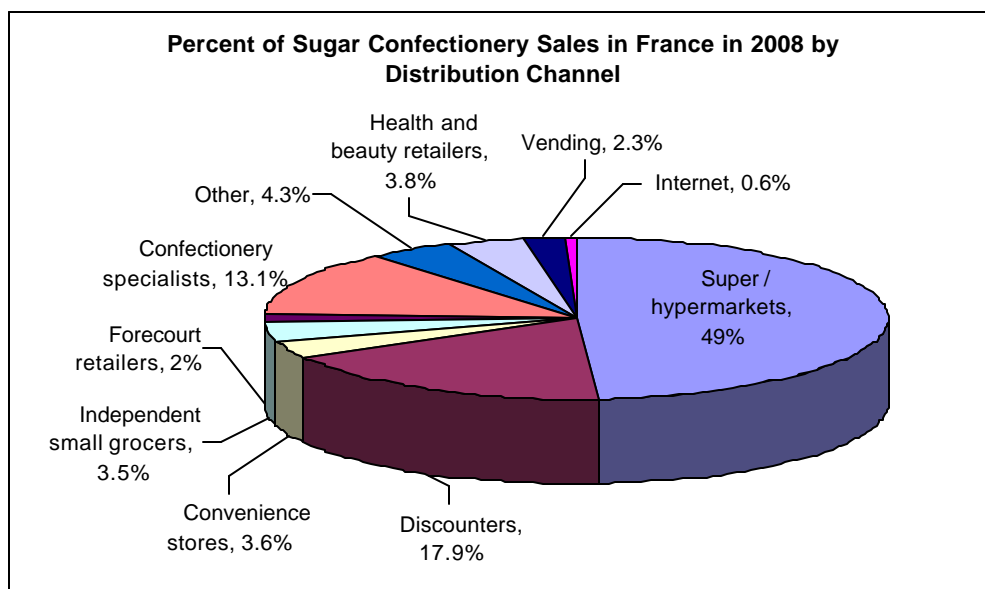
Gum Company Shares 2003-2007 (% retail value)					
Company	2003	2004	2005	2006	2007
Cadbury France SA	50.10	47.97	46.11	45.16	43.32
Wrigley France SNC	37.06	41.90	40.36	40.56	41.94
Perfetti Van Melle France	-	-	4.56	4.93	5.13
GlaxoSmithKline SAS	2.07	2.40	2.04	2.11	1.97
Unilever France SA	-	-	1.54	1.55	1.53
Lamy Lutti SA	0.47	0.47	0.39	0.37	0.38
Chupa Chups France SA	0.27	0.28	0.26	0.25	0.27
Unilever Bestfoods France SA	1.70	1.86	-	-	-
Dandy A/S	-	-	-	-	-
Private Label	2.11	2.31	2.52	2.50	2.21
Others	6.21	2.80	2.22	2.57	3.25
Total	100.00	100.00	100.00	100.00	100.00
<i>Source: Euromonitor. "Gum – France." September 30, 2008</i>					

## Distribution Channels

As the chart below indicates, the chocolate, sugar, and gum markets all rely on supermarkets, discounters, and confectionery specialist shops for distribution. However, there is some variation in each sector. Supermarkets account for 44% of chocolate confectionery sales and 60% of gum sales. This is because gum sales are largely impulse purchases, while premium chocolates are often sought out by consumers patronizing artisanal, chocolate specialists. Discounters comprise between 12% and 17% of distributors in each of the confectionery markets. As economic conditions shift, discounters may play a larger role in distribution for each sector. Sales of chocolate confectionery via the internet have grown consistently by approximately .1% since 2003, but are not a significant or growing source of sales for sugar confectionery or gum sales. For information on the French retail market and entry strategies for U.S. exporters to France, please see the **GAIN FR7018**, Retail Food Sector, 2008 and **GAIN FR7028**, Exporter Guide, 2008.

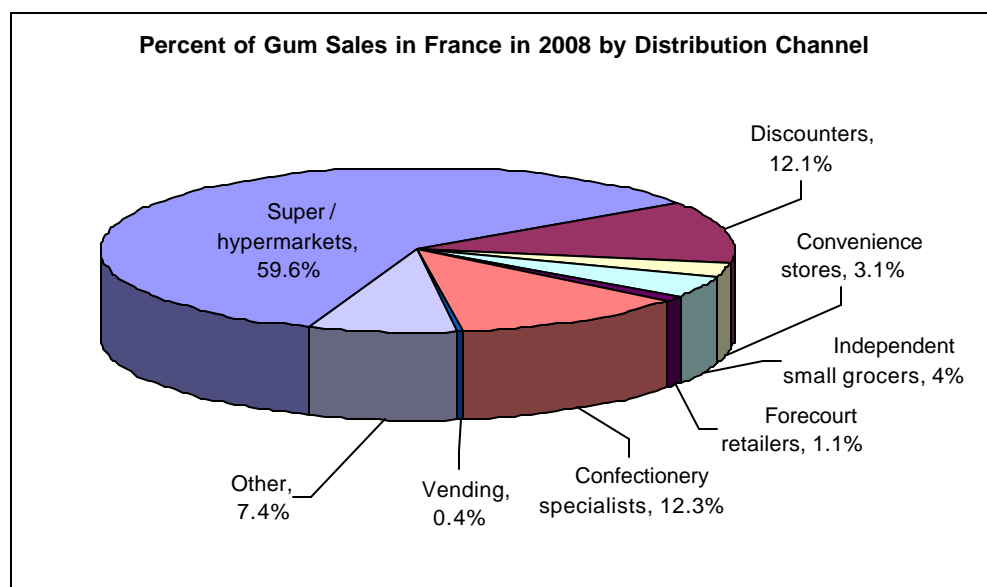


Source: Euromonitor. "Chocolate Confectionery Retail Value RSP – France." 2008



Source: Euromonitor. "Sugar Confectionery Retail Value RSP – France." 2008





Source: Euromonitor. "Gum Retail Value RSP – France." 2008

## Information for U.S. Exporters

### Tariff Information

2007 6-Digit Harmonized Codes		
HS Code	Description	Tariff Rate
180620	Chocolate and other food preparations containing cocoa	8.3%, or more
170410	Chewing Gum, whether or not sugar coated	6.2%, or more
170490	Sugar Confectionery (Including White Chocolate), Not Containing Cocoa	9.0%, or more

Source: Official Journal of the European Union, L 286, Oct. 31, 2007

Foodstuffs are subject to ad valorem duties levied under the Common External Tariff. Duties differ according to product. In addition to customs duties, foodstuffs imported into France are subject to a Value-Added Tax (VAT). Currently the VAT is generally charged at one of the two following rates:

- Standard rate of 19.6 percent applies to alcoholic beverages, some chocolates and candies
- Reduced rate of 5.5 percent applies mostly to agricultural and food products.

Note that custom duties given in this report are for informational purposes only. The final custom classification (HS code) is determined by the French customs authorities.

**Other Relevant Reports**

Report Number	Report Name and Web Link
FR7028	Exporter Guide <a href="http://www.fas.usda.gov/gainfiles/200710/146292590.pdf">http://www.fas.usda.gov/gainfiles/200710/146292590.pdf</a>
FR7018	Retail Food Sector <a href="http://www.fas.usda.gov/gainfiles/200801/146293433.pdf">http://www.fas.usda.gov/gainfiles/200801/146293433.pdf</a>
FR8013	HRI/Food Service Sector <a href="http://www.fas.usda.gov/gainfiles/200807/146295320.pdf">http://www.fas.usda.gov/gainfiles/200807/146295320.pdf</a>
FR8014	FAIRS Country Report (Food and Agricultural Import Regulations) <a href="http://www.fas.usda.gov/gainfiles/200808/146295368.pdf">http://www.fas.usda.gov/gainfiles/200808/146295368.pdf</a>
E48078	FAIRS European Union Report <a href="http://www.fas.usda.gov/gainfiles/200808/146295548.pdf">http://www.fas.usda.gov/gainfiles/200808/146295548.pdf</a>

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Fax: (704) 365 8426

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Eurexpo, Lyon - France

Organizer: Sepelcom

Contact: Björn Bieneck (US exhibitors)

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Fax + 1-540-372-1414

Email: [bbieneck@exhibitpro.com](mailto:bbieneck@exhibitpro.com)Internet: [www.sirha.com](http://www.sirha.com)**SALON NATIONAL DE LA BOULANGERIE, PATISSERIE, CHOCOLATERIE - INTERSUC -**

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Organizer: Exposium

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